



HANDOUTS

Long-Term Care System Task Force

September 16, 2004

AARP Iowa Presentation
Provided by AARP

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Long Term Care System Task Force
September 16, 2004
State Capitol Building
Room 116
10:00 am to 3:00 pm

AARP Iowa Presentation

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On behalf of AARP Iowa's Executive Council, Staff and our 365,000 members in Iowa, thank you for providing us with a chance to share with you some of our thoughts on long-term care in Iowa. My name is John McCalley and I serve as the Associate State Director for Public Affairs for AARP Iowa. Today, I primarily plan to report to you what older Iowans think about long-term care based on public opinion polling AARP has conducted over the past three years. I also want to share with you some of AARP's general thoughts about policy options to improve upon the system in Iowa. Before I get into that, I want to share with you some things about AARP that are not widely known.

Founded more than 40 years ago by Dr. Ethel Percy Andrus, AARP is a nonprofit, nonpartisan membership organization dedicated to making life better for people 50 and over. We do not endorse or contribute money to candidates for public office or political parties and we do not have a political action committee. We provide information and

resources; engage in legislative, regulatory and legal advocacy; assist members in serving their communities; and offer a wide range of unique benefits, special products, and services for our members. These include AARP The Magazine, published bimonthly; AARP Bulletin, our monthly newspaper; AARP Segunda Juventud, our quarterly newspaper in Spanish; NRTA Live & Learn, our quarterly newsletter for 50+ educators; and our Web site, www.aarp.org. We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. The Iowa office opened in October, 2001.

As one of the leading voices for an aging America, AARP regularly monitors the needs, concerns and opinions of its members. AARP develops its yearly Policy Book through a consistent, ongoing process that begins with member input and policy analysis. These activities guide the Association's volunteer leaders in reaching policy recommendations. Throughout the year, AARP seeks input on public policy issues from many sources. The Association receives tens of thousands of calls, letters and e-mail messages from chapters and members, and routinely surveys members and the general public on a broad range of issues. The board of directors and the NLC also host national legislative forums that are widely publicized and open to all, and actively solicit policy input from state volunteers on a continuing basis.

The issue of Long-Term Care has emerged as one of the premier concerns of AARP members over the past five years. Iowa AARP members ages 50 to 64 list it as the fifth most important issue in their lives. Of our members ages 65 to 74, Long-Term Care is

listed as the third most important issue. Not surprisingly, Long-Term Care is the most important issue to our member ages 75 and older.

Long-Term Care is both a national and a state issue. AARP nationally, as well as in Iowa, has placed the issue of Long-Term Care on a par with Medicare prescription drugs, Social Security and access to affordable health care. To underscore our commitment, we asked President Bush and Senator Kerry to tell us in writing their positions on Long-Term Care. And, in Iowa for the first time, AARP will ask candidates for state house and state senate to complete a questionnaire that asks them to explain how they will expand access to more choices of quality care options so that older Iowans and people with disabilities can live independently in their own homes for as long as possible. It is interesting to note that in one of AARP's surveys we found that a state candidate's support for expanding home and community-based care is likely to be a major factor in members' voting behavior (61%).

Iowa public policymakers have taken solid steps toward creating a Long-Term Care system that is consumer-directed and provides a balance between institutionally-based and home and community-based service through the Senior Living Program. However, more needs to be done and older Iowans express strong support for funding programs that support independent living options. In our survey release in January of 2002, 79% of AARP members said it was Very Important to remain in their own homes as long as possible if they needed long-term care services. At the time of the survey, 83% of our members supported restoring AND expanding funds to the Senior Living Trust. In fact,

73% of AARP members support increasing funds for home and community-based Long-Term Care services through the Department of Elder Affairs.

Like many states, Iowa recently experienced a severe economic downturn. In addition, Iowa continues to struggle with a large increase in health and long-term care spending. In 2003, AARP Iowa surveyed Iowans age 18 and older about generating money for health and long-term care services by increasing Iowa's cigarette tax. We found that approximately six in ten Iowans think that there is not enough money in the state budget for health and long-term care services. 80% of Iowans age 18 and over say they oppose the state cutting funding for health and long-term care services. Over six in ten Iowans support an increase in the state's cigarette tax of one dollar to adequately fund health and supportive services.

Now, I realize that citing a poll that is more than a year old is like lecturing about ancient history, but the remarkable fact is that the numbers held up in our poll earlier this year.

Even though the severe fiscal crisis affecting the states appears to be easing, AARP realizes that balancing the budget is still a huge challenge. The outlook for 2005 is especially tricky because the state has already used up most of the one-time fixes available. With sharply lower state revenues and a rising demand for states services, due to the escalating cost of health care and Medicaid in particular, there are more tough choices ahead for the Hawkeye State. However, Iowan's 18 and older consistently support independent policy options even if it means finding new sources of revenue.

- Iowans strenuously oppose cuts in health care and long-term care services for older persons and people with disabilities (87%).
- Iowans strongly support increasing the current tax on cigarettes to \$1.36 from \$.36 per pack (72%) for health and supportive services

At some point, most Iowans will need some help with daily activities (such as dressing or bathing). Many will also need other supportive services. Currently, the U.S. has no national policy or established system for delivering these services to Americans with long term care needs. The caregiving burden on millions of families is often overwhelming.

AARP supports measures that provide individuals' access to Long Term Care services and assure quality - especially those services in people's homes and communities, so that fewer people need to move to institutions. These improvements can be done by:

- Increasing consumer control and decision-making;
- Supporting caregivers through respite care and tax credits;
- Making it easier to find the services that are right for an individual's circumstances;
- Building an efficient system to deliver services, whether in homes, communities, or institutions;
- Increasing training and numbers of direct care staff across all settings;
- And, improving coordination between medical and long-term care.

AARP believes that expanding home and community-based services will reduce the cost burden to individuals and families, meet their preferences, and help prevent unnecessary institutionalization

It is important to note the important role that Medicaid plays in Long-Term Care. Today, Medicaid is the largest payer of overall health care in America. Medicaid pays just over one-third of Long-Term Care, while consumers, Medicare and private insurers pay the rest. The proportion of Medicaid expenditures on home and community-based services is growing in Iowa, but still amounts to only one-third. That compares to about 50% in Minnesota and Maine, and more than 70% in Oregon. For many older Iowans and people with disabilities, traditional nursing home care is still virtually the only option if they need Long-Term Care. AARP supports the Senior Living Program Act of 2000 and encourages lawmakers to build on it because we know, from the Unmet Needs Reports, that thousands of Iowans want to access home and community-based services but lack adequate funding or access.

AARP realizes that the baby boom generation will stretch the limits of all retirement security programs, not just health and supportive services. We encourage consumers to take a more active role in planning for the financial impact of retirement, particularly with regard to Long-Term Care. AARP surveys indicate that fewer than 5% of baby boomers own Long-Term Care insurance policy or have adequate savings and investments set aside for Long-Term Care. Yet we know that nearly 85% of all

Americans will need Long-Term Care at some point in their live. That is why AARP supports tax incentive for the purchase of Long-Term Care insurance and tax credits for family caregivers who provide informal care without pay.

AARP Iowa wants to work with lawmakers, providers, caregivers and other consumer groups to continue to make progress on the road to rebalancing Long-Term Care in Iowa.

- We are committed to and support the efforts of the National Governor's Association Policy Academy on Long-Term Care, particularly with regard to establishing a Community Choice Counseling program that provides consumers with access to the broad array of Long-Term Care services before they enter the system.
- AARP also supports the Robert Wood Johnson Foundation Grant on Better Jobs/Better Care that seeks to address the crisis in staff recruitment, retention and training in Long-Term Care settings.
- AARP supports the goals of the Iowa Association of Home and Community-Based providers and others to address the challenges they face with reimbursements;
- AARP support the efforts of the Senior Living Coordinating Unit to rebalance Long-Term Care. We look forward to evaluating their final report when it is published this fall and we are please to help sponsor the Long-Term Care Conference at the Hilton Gardens in Johnston on November 18 & 19.

- Of course, AARP is committed to serving as a resource for the Long-Term Care Task Force and any other Legislative Committee that seeks to improve access to home and community-based Long-Term Care Services in Iowa.

This morning you heard from a variety of state agencies and officials and this afternoon you will hear from a variety of interest groups with a stake in the Long-Term Care system. Many of them have or will provide you with very useful and detailed information on the nuances of the current Long-Term Care system. AARP appreciates the opportunity to provide a consumer perspective to the ongoing dialogue on how to best provide quality Long-Term Care services in the most independent setting possible. As you move forward with your work, we encourage you to seek the unique input available from representatives of formal and informal caregivers -- like the Iowa Caregivers Association and Alzheimer's Association. We also encourage you to reach out to advocates of people with disabilities both in state government and affiliated with private groups or associations. We understand the financial and time constraints under which this committee must operate. If there is anything AARP Iowa can do to assist with your proceedings, please do not hesitate to enlist our help. Once again, thank you for providing AARP Iowa with this chance to discuss the challenges and opportunities facing Iowa's Long-Term Care system.